The first part of the course (the first 4 weeks) will explain the basics of the socialist economy to give background on transition. The rest of the course will be devoted to transition issues.

Recommended readings help understand the course in greater depth but are not mandatory for the exam. Slides used during the course will be put up on the course webpage (but not before the course).

I. The socialist economy
1. Objectives and instruments of central planning.
2. Managerial incentives
3. Economic behavior under shortage
4. Worker behavior.


II. Transition
1. Tasks of transition.
2. Stylized facts of transition.
4. Liberalization.
5. Explaining the output fall.
6. Foreign Trade evolution.
7. Accession to the European Union.
8. Privatization and restructuring.
9. Legal and government reform.
10. Transition and the “Washington consensus”. What have we learned since 1989?

Recommended reading:

BOOKS:
ARTICLES:


**GRADING:** Midterm exam (30%), final exam (70%).